

ARTICLE 19

SECTION 3

SECTION 1931(B) PROPERTY REGULATIONS

Property not specifically addressed in this section is treated the same as for the MN Programs.

1. LIMITS

The limits of countable property that an MFBU is allowed to retain are the same as for the MN Program except that for an MFBU size of one, the limit is \$3,000 not \$2,000. The current prorated property limits for Sneede MBUs based on the size of the MBU are included in MPG Appendix 11-1-A. If an MFBU is under the property limit at **any** time during the month, it is property eligible. The 1931b Sneede Property Worksheet is MC 324. The Property Reserve Worksheet MC 176 P has been modified. The reverse side of the form is now used as the 1931b Property Reserve Worksheet. (See Appendix 19-3-A.)

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2. EXEMPT PROPERTY

The property of certain individuals is exempt from consideration when determining eligibility:

- A. Personal property of a child not included in the 1931b MFBU when 1931b eligibility is being determined for the rest of the family.
- B. The separate and community property share of a stepparent who is not an applicant and has no active separate children in the 1931b MFBU.
- C. Property that is considered in determining the eligibility of an SSI/SSP recipient owned separately by the SSI/SSP recipient or jointly with the 1931b Program applicant or beneficiary.
- D. Any cash savings and interest accumulated pursuant to a written transitional Independent Living Program (ILP) plan and retained by a child who is at least sixteen years of age or older and is participating in the ILP. There is no limit to the amount of ILP funds that may be retained.
- E. Real and personal property purchased with funds received under the Title I or Title II of the Economic Opportunity Act when such funds were excluded from consideration as income or property. This exclusion does not extend to income or profits from such property.

3. PERSONAL PROPERTY

Exempt personal property:

- A. Personal property that produces income (except cash, non-business financial institution accounts and other non-business financial instruments where cash is available upon demand). This includes promissory notes, mortgages and Deeds of Trust (in the MN Program, they are considered real property).
- B. Pension funds, pension plans or KEOGHs that involve a contractual relationship with someone who is not living in the home with the beneficiary and who is not the parent, stepparent, or spouse of the beneficiary (such as a company funded pension plan).
- C. All life insurance policies.
- D. Individual items of personal property that if sold, would produce funds equal to less than one-half of the property limit for the MFBU.
- E. Any federal, state, or local Earned Income Tax Credit (EITC) payment received.

4. REAL PROPERTY

Certain real property is exempt:

- A. Property used as a home is exempt. When an applicant or beneficiary is temporarily absent from the home for reasons such as seasonal employment, visits or extreme climatic conditions, etc., the exemption continues provided the recipient plans to, and appears will be able to return to the home when such circumstances permit. A sworn statement from the beneficiary is sufficient documentation of such circumstances.
- B. If the home of the MFBU is a multiple dwelling unit, the unit(s) not occupied by the MFBU is (are) considered in the property reserve. If the unit not occupied by the MFBU cannot be sold separately from the MFBU occupied unit(s), it (they) will be considered unavailable.
- C. Real property that the owner is making a good faith effort to sell shall be exempt for up to nine months.
- D. A home that was the usual home of an owner who has entered into a marital separation shall be exempt during the month of application and for three consecutive months following the month of application. The ET will:
 - 1) Advise the client of the home's time limited, three-month exempt status and that the home will be reevaluated at the end of the three months.
 - 2) Reconsider the home's exempt status at the end of the three months.
 - 3) Exempt the home if unavailable under 4.D.2 above or exempt as a principal residence.

5. MOTOR VEHICLES

- A. Complete the "Vehicle Determination Worksheet," MC 176-PV (see Appendix 19-3-B) when determining the value of vehicles. ACWDL 01-62
- B. Use supplemental form, 14-59 HHSA Motor Vehicle Property Sheet (see Appendix 19-3-C), to obtain information necessary to determine the value of motor vehicles. This form must be included when the statement of facts is given to an applicant/beneficiary. ACWDL 01-62
- C. Licensed (has been issued license plates) or unlicensed (if owned by a tribal member of an Indian reservation that does not require licensing motor vehicles) may be exempt if any of the conditions listed below exist:
- 1) Used for self-employment.
 - 2) At least 50 % or more of the vehicle's use is used on the job for the purpose of producing income (taxi, truck driver, etc), even if only seasonally, or for long-distance travel (other than daily commuting) as long as it is essential for employment (traveling sales, migrant farm worker, going from job to job, etc.). This exemption applies to those are temporarily unemployed.
 - 3) Previously used by a self-employed MFBU member for farming, but is no longer used over 50 percent of the time in farming because the MFBU member has terminated his/her self-employment. This exemption is limited to no more than one year from the date self-employment terminated.
 - 4) Used for transporting an incapacitated or disabled individual living in the home. ACWDL 01-62
 - a) If the disability of the individual is not evident to the ET, verification shall be required. ACWDL 98-43
 - b) If verification is required, the ET shall request a doctor's verification that the individual has either a temporary or permanent disability.
 - c) Only one vehicle per disabled individual living in the home may be exempted.
 - 5) A home. (Only one may be exempt on this basis. Does not have to be licensed.)
 - 6) Used for transporting the primary supply of fuel/water for the home.
- D. In determining the value of all other non-exempt motor vehicles:
- 1) Determine the fair market values by using the DMV License fee method described in MPG Article 9, Section 6, Item 5.N.2.

- 2) If the client disputes the DMV amount, use the Blue Book method as described below:
 - a) The Blue Book must have been updated within the last six months.
 - b) Use the “wholesale value” in the Blue Book or if the Blue Book does not list the “wholesale value” use the listed value that is comparable to the “wholesale value.”
 - c) Do not increase the basic value by the value of low mileage or other factors such as optional equipment or special equipment for handicapped.
 - d) If a new vehicle is not yet listed in the Blue Book, determine the “wholesale value” through other means such as the DMV license Fee method or contacting a car dealer that sells that make of vehicle and asking how much the dealership would offer the household for the car.
 - e) To obtain the most appropriate value of a vehicle, obtain from the registration the year, make, model and number of doors. If the information for these four items is incomplete, use the lowest Blue Book value using any of the available information.
- 3) If a vehicle is no longer listed in the Blue Book, the owner’s estimate of the value of the vehicle shall be accepted, unless the ET has reason to believe the estimate is incorrect. In that case, and if it appears that the vehicle’s value will affect eligibility, the owner shall obtain an appraisal or produce other evidence of its value, such as a tax assessment or a newspaper advertisement of a similar vehicle.
- 4) If the vehicle has body damage or is inoperable and/or the owner alleges the Blue Book value does not apply, give the owner opportunity to obtain verification of the value from a disinterested, qualified source.
- 5) Verification of the value of a licensed antique, custom made or classic vehicles shall be required if the ET is unable to make an accurate appraisal.
- E. Determine the excess fair market value for each licensed vehicle (the fair market value less \$4,650). If unlicensed, skip this step. If the fair market value is 0 for a vehicle, stop evaluating for that vehicle. It is exempt.
- F. Determine the equity value of each licensed or unlicensed vehicle (the fair market value less encumbrances (amount owed)). If the equity value is \$1500 or less for a vehicle, stop evaluating that vehicle. It is exempt.
- G. If the equity value is over \$1500, select the lesser of the excess fair market value or equity value for each vehicle (unlicensed vehicles will only have an equity value) and include the amount determined to be the least in the property reserve. Include the lesser amount in the property reserve, **except in the situation described below in item 5.H.**

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- H. Of the vehicles with **equity values** determined to be the lesser amount (excess fair market value v. equity value), deduct \$1,500 from the **equity value** of the non-exempt vehicle with the highest **equity value**.

6. TRUSTS

Real and personal property, including property held in trust, transferred to a trust and income produced and retained by the trust, is considered to be available if a member of the MFBU has the legal right, power and authority to liquidate the property and to use the proceeds. Available property, unless otherwise exempt, shall be included in the property reserve.

7. BUSINESS PROPERTY

If an individual is or was self-employed or working, but currently is not, then the property essential to employment or self-employment is exempt. A sworn statement from the applicant/beneficiary is acceptable as proof of whether the property, including financial reserves, are essential to the employment or self-employment of the individual and are necessary to produce either current or future earnings.

8. LUMP SUM PAYMENTS

SSI/SSP retroactive payments are exempt for an unlimited period of time.

9. SNEEDE PROPERTY RULES

A. The property limits under 1931b Sneede are the same as under regular Sneede with the exception of a single adult, who has a limit of \$3,000 for 1931b. Because property exemptions and income limits for single persons are different under 1931b than under other Medi-Cal Programs and CalWORKs, do not include 1931b eligible people in the MN or MI MFBU with other family members who are not eligible for 1931b.

B. 1931b members are part of the MFBU when determining eligibility for a person in the Percent Programs because there are no property limits for these programs.

10. STEPPARENT PROPERTY

If the husband and the husband's separate child choose not to be aided, his separate plus one-half of the community property are exempt under 1931b. This exemption for property occurs even though his wife is requesting benefits. If the husband's separate child wants benefits, then the husband is considered a parent and the stepparent exemption does not apply.

PROPERTY RESERVE WORK SHEET - SECTION 1931(b) PROGRAM

Name _____ Case Number _____ Month _____

A. NONEXEMPT OTHER REAL PROPERTY (ORP)

Determine market value and encumbrances of nonexempt ORP in county use section and list in 1 and 2. Note: If nonexempt ORP owned jointly with persons not in the MFBU, list only the share of market value and encumbrances of persons in the MFBU.

1. Market Value per Section 50412	\$
2. Encumbrances per Section 50413	- \$
3. Net Market Value (line 1 minus line 2)	\$
4. Life Estate (determine value per Section 50442 and procedure 9A)	\$
5. Total net nonexempt ORP (add lines 3 and 4). Enter in B.1.	\$

B. PROPERTY RESERVE

1. Total net nonexempt ORP from A.5.	\$
2. Notes, mortgages, deeds of trust owned by MFBU member and not producing income	\$
3. Nonbusiness liquid assets (money, checking/savings, stocks, bonds)	\$
4. IRAs and accessible KEOGHs	\$
5. Burial plots, vaults, or crypts (not for family use)	\$
6. Excess revocable designated burial funds (over \$1500)	\$
7. Nonexempt vehicles, boats, vans, trailers, etc. (list items and amounts from MC 176 P-V)	\$
	\$
	\$
	\$
8. Other countable property (list items)	\$
	\$
	\$
	\$
9. Subtotal property reserve (add lines 1 through 8)	\$
10. Long-term care insurance exemption (benefits paid)	- \$
11. Total property reserve (line 9 minus line 10)	\$
12. Property limit for MFBU Number of persons in MFBU _____	\$
13. Is line 12 greater than line 11?	
<input type="checkbox"/> Yes - property eligible	
<input type="checkbox"/> No - property ineligible (see below)	
<input type="checkbox"/> Did you explain spenddown options to ensure the ability to get TMC later?	
<input type="checkbox"/> Did you do the <i>Sneede</i> Screen? (See other side.)	
<input type="checkbox"/> If not eligible for the Section 1931(b) program, determine eligibility for the AFDC-MN program.	

COUNTY USE SECTION

VEHICLE DETERMINATION WORK SHEET FOR 1931 GROUP

Case name		Case number	
DIRECTIONS	VEHICLE NUMBER ONE	VEHICLE NUMBER TWO	VEHICLE NUMBER THREE
List all vehicles owned by anyone in the MFBU. NOTE: Complete additional work sheets if more than three vehicles.	Make _____ Model _____ Year _____	Make _____ Model _____ Year _____	Make _____ Model _____ Year _____
STEP ONE - Only Unlicensed Vehicles on Indian Reservation Which Do Not Require Licensing and All Licensed Vehicles. For All Other Vehicles, Go to Step Two.			
A vehicle used by or for the benefit of any person living in the home for any reason listed below is exempt. <ol style="list-style-type: none"> 1. On the job or for income producing purposes even if only on a seasonal basis or temporarily unemployed. 2. Long distance travel essential to individual's employment, e.g., traveling sales, migrant farm worker moving from job to job. 3. Home (only one vehicle per household). 4. Transportation of incapacitated or disabled individual living in the home. 5. Transportation of primary fuel/water for the home. 			
Is vehicle exempt? If yes, list reason and STOP . If NO , go to Step Two.	<input type="checkbox"/> Yes <input type="checkbox"/> No Reason: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No Reason: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No Reason: _____
STEP TWO - Only Vehicles Not Exempt in Step One			
A. Enter estimate of Fair Market Value (FMV).	FMV \$ _____	FMV \$ _____	FMV \$ _____
B. Licensed Only - <i>If Unlicensed, Go to Step Two (C).</i> Enter excess FMV (estimate of FMV minus \$4,650). If zero , then exempt, STOP . If not zero, go to Step Two (C).	- <u>4,650</u> Excess FMV \$ _____	- <u>4,650</u> Excess FMV \$ _____	- <u>4,650</u> Excess FMV \$ _____
C. All Remaining Vehicles - Enter encumbrance (amount owed).	Amount owed \$ _____	Amount owed \$ _____	Amount owed \$ _____
D. Determine equity value (EV) of vehicle (FMV of vehicle from Step Two (A) minus encumbrance in Step Two (C)). If \$1,500 or less, then exempt. STOP .	Exempt: <input type="checkbox"/> Yes <input type="checkbox"/> No EV \$ _____	Exempt: <input type="checkbox"/> Yes <input type="checkbox"/> No EV \$ _____	Exempt: <input type="checkbox"/> Yes <input type="checkbox"/> No EV \$ _____
STEP THREE - Countable Vehicle Value			
A. Compare Step Two (B) and amounts listed for nonexempt vehicles in Step Two (D). Enter the lesser value .	<u>Check One</u> <input type="checkbox"/> Excess FMV \$ _____ or <input type="checkbox"/> EV \$ _____	<u>Check One</u> <input type="checkbox"/> Excess FMV \$ _____ or <input type="checkbox"/> EV \$ _____	<u>Check One</u> <input type="checkbox"/> Excess FMV \$ _____ or <input type="checkbox"/> EV \$ _____
B. Enter \$1,500 in the column under the one vehicle with the highest equity value . If excess FMV is the lesser amount, enter zero. Enter zero in all columns where \$1,500 is not entered.	- \$ _____	- \$ _____	- \$ _____
C. Subtract Step Three (B) from Step Three (A) and enter result. If zero , then car is exempt. If not zero, then enter amount on Property Reserve Work Sheet (MC 176 P (Back) 1931).	- \$ _____	- \$ _____	- \$ _____

Case Name _____

Case Number _____

MOTOR VEHICLE PROPERTY SHEET

Please complete this form if you own a motor vehicle. A motor vehicle includes automobiles, vans, trucks, boats, mobile homes, motor homes, trailers, snowmobiles, jet skies, motorcycles, tractors, etc. Please complete all boxes below that apply.

	Vehicle (1)		Vehicle (2)		Vehicle (3)		Vehicle (4)	
MAKE								
MODEL								
YEAR								
Estimated Value?								
Amount Owed?								
Check (3) each item yes or no.	YES	NO	YES	NO	YES	NO	YES	NO
Does it have license plates?								
Is it used as a home?								
Is it used for work other than daily commuting (taxi, etc.)?								
Is it used for long distance travel for work (traveling sales)?								
Is it used to transport an incapacitated or disabled household member?								
Is it used to carry fuel for heating or water for home use?								